

AFFIDAVIT

I, Michael Livingood, being first duly sworn, hereby depose and state as follows:

INTRODUCTION AND AGENT BACKGROUND

1. I am a Special Agent with the Federal Bureau of Investigation (“FBI”) and have been so employed since June 2016. I am assigned to the Economic Crimes Squad in the FBI’s Boston, Massachusetts Field Office. My duties include investigating money laundering, wire fraud, and internet fraud. I have participated in the execution of warrants involving the search and seizure of computers, computer equipment, and electronically stored information. Before becoming a Special Agent, I was an Intelligence Analyst for the FBI and supported investigative work on a variety of federal crimes including crimes against children, transnational organized crime, and money laundering. I have received specialized training in investigating financial frauds and money laundering. I hold a master’s degree in human services.

2. As a federal agent, I am authorized to investigate violations of United States laws and to execute warrants issued under the authority of the United States.

3. I have been investigating DANIEL MALEUS (“MALEUS”) for his involvement in federal crimes related to the submission of fraudulent claims for Pandemic Unemployment Assistance, in violation of Title 18, United States Code, Sections 1343 (wire fraud), 1349 (conspiracy to commit wire fraud), and 1028A (aggravated identity theft). More recently, I have also been investigating MALEUS for his involvement in federal crimes related to the submission of fraudulent loan applications, including a loan application under the Paycheck Protection Program, in violation of Title 18, United States Code, Sections 1343 (wire fraud) and 1344 (bank fraud) (the “TARGET OFFENSES”).

4. I make this affidavit in support of the government's request that the Court, under 18 U.S.C. § 3148, revoke its order releasing MALEUS and detain him pending trial.

5. Based on the facts as set forth in this affidavit, there is probable cause to believe that MALEUS has committed the TARGET OFFENSES while on release and under the supervision of this Court and U.S. Probation.

6. The facts set forth in this affidavit are based upon my personal observations, my training and experience, and information obtained from various law enforcement personnel and witnesses. This affidavit is intended to show merely that there is probable cause to believe Maleus has committed crimes while on release, and it does not purport to set forth all of my knowledge of or investigation into this matter. Unless indicated otherwise, all conversations and statements described in this affidavit are related in substance and in part.

PROBABLE CAUSE THAT MALEUS COMMITTED CRIMES WHILE ON RELEASE
AND VIOLATED HIS CONDITIONS OF RELEASE

7. On April 8, 2021, Maleus was charged by criminal complaint with 18 U.S.C. §§ 1343 (wire fraud), 1349 (wire fraud conspiracy), and 1028A (aggravated identity theft). As described in my sworn affidavit in support of that complaint, there is substantial evidence that Maleus and his co-conspirator, Lilly Nguyen, submitted more than thirty-five fraudulent claims for Pandemic Unemployment Assistance using the names and Social Security numbers of third parties without their consent. The resulting loss was more than \$250,000 in Pandemic Unemployment Assistance funds.

8. I, along with other federal agents, arrested MALEUS and Nguyen on April 9, 2021. Both MALEUS and Nguyen were brought to the federal courthouse in Boston on that same day for their initial appearance. I understand that MALEUS was released on conditions, which require that he "must not violate federal, state, or local law while on release."

9. On April 9, 2021, MALEUS told U.S. Probation that he “has not earned income from . . . event planning . . . in over one year” and was only receiving \$700 per month in income from other sources.¹

10. After April 9, 2021, Nguyen admitted that she participated in the conspiracy with MALEUS and pleaded guilty.

11. On April 10, 2021, MALEUS signed a Paycheck Protection Program loan (“PPP”) application loan to Harvest Small Business Finance, LLC (“Harvest Finance”).

12. I understand that the PPP provides forgivable loans to small businesses suffering from economic losses due to the Covid-19 pandemic. The loans are processed by qualifying lender banks and fully guaranteed by the SBA. PPP rules required that all loan funds be used for job retention and certain other business expenses.

13. MALEUS claimed in his PPP loan application to be the owner and sole employee of an “Event Planning” business named “Daniel Maleus” that had \$137,000 in “Gross receipts or sales” in 2019.

14. The application included an IRS Form 1040 and accompanying Schedule C documenting the purported \$137,000 in 2019 income.

15. MALEUS also certified on the application that he was not currently on “probation before judgment” relating to a charge of “fraud . . . or a false statement in . . . an application for federal financial assistance,” that he would use “[a]ll loan proceeds . . . only for business-related expenses,” and that the loan was “necessary to support the ongoing operations.”

¹ On April 9, 2021, Maleus was interviewed by U.S. Probation Officer Taia Thompson prior to his initial appearance. In that interview, Maleus reported a monthly income of \$700. See Pretrial Services Report dated April 9, 2021.

16. Harvest Financed disbursed approximately \$20,800 in SBA-backed funds to MALEUS on or about April 16, 2020.

17. I have reviewed MALEUS's tax return information provided by the Internal Revenue Service pursuant to a court order. MALEUS's tax return information does not include the IRS Form 1040 and accompanying Schedule C that MALEUS used in his PPP loan application.

18. I have reviewed bank records from multiple bank accounts in MALEUS's name. None of those bank records reflect substantial income from an "Event Planning" business.

19. I have also reviewed records from the Massachusetts Department of Unemployment Affairs relating to MALEUS's claim for Pandemic Unemployment Assistance ("PUA"). MALEUS has received over \$30,000 in PUA funds from his claim, and has re-certified his claim several times, including as recently as March 2021. MALEUS repeatedly certified that his 2019 income was no more than \$20,000.

20. Based on the information in this Affidavit, combined with my training and experience investigating financial crimes, there is probable cause to believe that MALEUS doctored the IRS Form 1040 and accompanying Schedule C that MALEUS submitted to Harvest Finance in order to obtain PPP funds.

21. For reasons stated below, there is also probable cause to believe that MALEUS is using the SBA-backed funds he received from his PPP loan for gambling. On April 20, 2021, MALEUS was identified at Twin River Casino purchasing \$10,500 in gambling chips. MALEUS has subsequently been identified at Twin River Casino on three additional occasions (July 8, July 12, and August 2) with a total of more than \$59,000 in gambling chips. Because Maleus has reported minimal from any source, received the PPP loan proceeds on April 16,

2021, and began gambling in amounts inconsistent with the income he reported to U.S. Probation just days later, there is probable cause to believe that the funds with which MALEUS was gambling came from his PPP loan fraud or other fraudulently-obtained pandemic-related government assistance.

22. The investigation into MALEUS's PPP loan has also uncovered evidence that MALEUS previously submitted several other loan applications to SBA. The investigation into those loan applications is ongoing, but the same evidence that creates probable cause to believe MALEUS committed fraud in relation to his PPP loan application suggests that MALEUS's other SBA loan applications will prove to be fraudulent.

23. There is accordingly probable cause to believe that MALEUS submitted a fraudulent PPP loan application and impermissibly used the SBA-backed funds for gambling, thereby violating 18 U.S.C. §§ 1343 (wire fraud) and 1344 (bank fraud).

By: Michael Livingood
MICHAEL LIVINGOOD
Special Agent
Federal Bureau of Investigation

September 13, 2021